ACADEMY FOR CLASSICAL EDUCATION
MACON, GEORGIA

ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
JUNE 30, 2025

ACADEMY FOR CLASSICAL EDUCATION

ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

TABLE OF CONTENTS

Page

FINANCIAL SECTION

Independent Auditor's Report ..... **1 – 4**

Basic Financial Statements:
- **Government-wide Financial Statements:**
  - **Statement of Net Position** **5**
  - **Statement of Activities** **6**
- **Fund Financial Statements:**
  - **Balance Sheet – Governmental Funds** **7**
  - **Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position** **8**
  - **Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds** **9**
  - **Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance to the Statement of Activities** **10**
  - **General Fund – Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (GAAP)** **11**
- **Notes to the Basic Financial Statements** ..... **12 – 36**

REQUIRED SUPPLEMENTARY INFORMATION

- **Schedule of Proportionate Share of the Net Pension Liability – Teachers' Retirement System of Georgia** ..... **37 and 38**
- **Schedule of Contributions – Teachers' Retirement System of Georgia** ..... **39 and 40**
- **Notes to Required Supplementary Information – Teachers' Retirement System of Georgia** **41**
- **Schedule of Proportionate Share of the Net OPEB Liability – School OPEB Fund** ..... **42 and 43**
- **Schedule of Contributions – School OPEB Fund** ..... **44 and 45**
- **Notes to Required Supplementary Information – School OPEB Fund** **46**

OTHER SUPPLEMENTARY INFORMATION

- **Bond Covenant Disclosure** **47**

ACADEMY FOR CLASSICAL EDUCATION

ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

TABLE OF CONTENTS (CONTINUED)

Page

COMPLIANCE SECTION

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*..... 48 and 49

Schedule of Findings and Responses…..……50

Summary Schedule of Prior Year Findings……51

FINANCIAL SECTION

MAULDIN & JENKINS
CPAs & ADVISORS

INDEPENDENT AUDITOR'S REPORT

To the Members of the Board
of the Academy for Classical Education
Macon, Georgia

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of the **Academy for Classical Education** (the "Academy") as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively compromise the Academy's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Academy as of June 30, 2025, and the respective changes in financial position and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Academy, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Academy's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Academy's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Academy's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Schedule of Proportionate Share of the Net Pension Liability, Schedule of Pension Contributions, Schedule of Proportionate Share of the Net OPEB Liability, and the Schedule of OPEB Contributions on pages 37 through 45 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the Management's Discussion and Analysis ("MD&A") that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Academy's basic financial statements. The accompanying bond covenant disclosure is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the bond covenant disclosure is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 23, 2025, on our consideration of the Academy's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Academy's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Academy's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Macon, Georgia
October 23, 2025

BASIC FINANCIAL STATEMENTS

ACADEMY FOR CLASSICAL EDUCATION

STATEMENT OF NET POSITION
JUNE 30, 2025

	Governmental Activities
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	
ASSETS	
Cash and cash equivalents	$ 10,904,249
Restricted cash	2,730,920
Accounts receivable	1,596,896
Prepaid items	111,756
Capital assets (non-depreciable)	1,189,277
Capital assets (depreciable, net of accumulated depreciation)	32,481,570
Total assets	49,014,668
DEFERRED OUTFLOWS OF RESOURCES	
Pensions	5,527,119
OPEB	3,273,853
Total deferred outflows of resources	8,800,972
Total assets and deferred outflows of resources	$ 57,815,640
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	
LIABILITIES	
Accounts payable	$ 207,601
Salaries and benefits payable	2,950,798
Accrued interest payable	84,087
Bonds payable, due within one year	527,692
Bonds payable, due in more than one year net of discount	31,720,010
Subscription liability, due within one year	113,103
Subscription liability, due in more than one year	84,185
Net pension liability, due in more than one year	15,349,455
Net OPEB liability, due in more than one year	9,856,009
Total liabilities	60,892,940
DEFERRED INFLOWS OF RESOURCES	
Pensions	2,185,921
OPEB	2,819,420
Total deferred inflows of resources	5,005,341
NET POSITION	
Net investment in capital assets	1,225,857
Restricted for debt service	2,646,833
Unrestricted	(11,955,331)
Total net position (deficit)	(8,082,641)
Total liabilities, deferred inflows of resources and net position	$ 57,815,640

The accompanying notes are an integral part of these financial statements.

ACADEMY FOR CLASSICAL EDUCATION

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Functions/Programs	Expenses	Program Revenues: Charges For Services	Program Revenues: Operating Grants and Contributions	Net (Expenses) Revenues and Changes in Net Position
Governmental Activities				
Instruction	$ 17,209,907	$ -	$ 9,361,381	$ (7,848,526)
Support services:				
Pupil services	1,913,218	-	452,154	(1,461,064)
Improvement of instruction	49,743	-	46,171	(3,572)
Educational media services	309,200	-	246,823	(62,377)
School administration	1,222,863	-	606,560	(616,303)
Business administration	895,822	-	4,159	(891,663)
Maintenance and operation	2,937,370	-	518,877	(2,418,493)
Student transportation	192,716	-	74,593	(118,123)
Central support services	-	-	-	-
School nutrition	129,408	-	408,233	278,825
Enterprise operations	1,114,650	1,230,185	-	115,535
Interest and fiscal charges	1,924,164	-	-	(1,924,164)
Total governmental activities	$ 27,899,061	$ 1,230,185	$ 11,718,951	(14,949,925)
General revenues:				
State funding				14,832,365
Interest				753,856
Miscellaneous				335,083
Total general revenues				15,921,304
Change in net position				971,379
Net position (deficit) - beginning of fiscal year				(9,054,020)
Net position (deficit) - end of fiscal year				$ (8,082,641)

The accompanying notes are an integral part of these financial statements.

ACADEMY FOR CLASSICAL EDUCATION

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2025

	General Fund	Capital Projects Fund	Total Governmental Funds
ASSETS			
Cash and cash equivalents	$ 9,078,050	$ 1,826,199	$ 10,904,249
Restricted cash	2,730,920	-	2,730,920
Accounts receivable	1,596,896	-	1,596,896
Prepaid items	111,756	-	111,756
Total assets	$ 13,517,622	$ 1,826,199	$ 15,343,821
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	$ 105,256	$ 102,345	$ 207,601
Salaries and benefits payable	2,950,798	-	2,950,798
Total liabilities	3,056,054	102,345	3,158,399
FUND BALANCES			
Nonspendable - prepaid expenditures	111,756	-	111,756
Restricted for:			
Debt service	2,730,920	-	2,730,920
Assigned for:			
Capital projects	-	1,723,854	1,723,854
Unassigned	7,618,892	-	7,618,892
Total fund balance	10,461,568	1,723,854	12,185,422
Total liabilities and fund balances	$ 13,517,622	$ 1,826,199	$ 15,343,821

The accompanying notes are an integral part of these financial statements.

ACADEMY FOR CLASSICAL EDUCATION

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION JUNE 30, 2025

Total fund balance - governmental funds		$ 12,185,422
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. These assets consist of:		
Historical cost of capital assets	$ 46,672,578	
Less accumulated depreciation	(13,001,731)	
Total capital assets		33,670,847
Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the funds.		
Long-term liabilities at year-end consist of:		
Bonds payable, net of discount	$ (32,247,702)	
Subscription liability payable	(197,288)	
Deferred outflows - pensions	5,527,119	
Deferred inflows - pensions	(2,185,921)	
Net pension liability	(15,349,455)	
Deferred outflows - OPEB	3,273,853	
Deferred inflows - OPEB	(2,819,420)	
Net OPEB liability	(9,856,009)	
Accrued interest payable	(84,087)	
		(53,938,910)
Net position (deficit) of governmental activities		$ (8,082,641)

The accompanying notes are an integral part of these financial statements.

ACADEMY FOR CLASSICAL EDUCATION

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	General Fund	Capital Projects Fund	Total Governmental Funds
Revenues			
State funds	$ 25,957,312	$ -	$ 25,957,312
Local funds	1,855,738	-	1,855,738
Federal funds	504,562	-	504,562
Investment earnings	743,226	10,630	753,856
Total revenues	29,060,838	10,630	29,071,468
Expenditures			
Current:			
Instruction	15,187,265	-	15,187,265
Support services:			
Pupil services	1,810,892	-	1,810,892
Improvement of instructional services	45,583	-	45,583
Educational media services	281,419	-	281,419
School administration	1,162,683	-	1,162,683
Business administration	859,108	-	859,108
Maintenance and operation of plant	2,697,780	-	2,697,780
Student transportation	192,716	-	192,716
Central support services	-	-	-
School nutrition	82,671	-	82,671
Enterprise operations	1,114,650	-	1,114,650
Capital outlay	-	1,995,999	1,995,999
Debt service:			
Principal	627,954	3,055	631,009
Interest	1,922,734	244	1,922,978
Total expenditures	25,985,455	1,999,298	27,984,753
Excess (deficiency) of revenues over (under) expenditures	3,075,383	(1,988,668)	1,086,715
OTHER FINANCING SOURCES (USES)			
SBITA	253,162	-	253,162
Transfers in	-	3,712,522	3,712,522
Transfers out	(3,712,522)	-	(3,712,522)
Total other financing sources (uses)	(3,459,360)	3,712,522	253,162
Net change in fund balance	(383,977)	1,723,854	1,339,877
Fund balance - beginning of fiscal year	10,845,545	-	10,845,545
Fund balance - end of fiscal year	$ 10,461,568	$ 1,723,854	$ 12,185,422

The accompanying notes are an integral part of these financial statements.

ACADEMY FOR CLASSICAL EDUCATION

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Total net change in fund balance - governmental funds		$ 1,339,877
Amounts reported for governmental activities in the Statement of Activities are different because:		
Capital outlays are reported as expenditures in governmental funds. However, in the Statement of Activities, the cost of capital assets and right-to-use assets are allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:		
Capital outlay	$ 2,216,633	
Depreciation & amortization expense	(1,707,428)	
		509,205
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position.		
Loss on disposition of assets		(1,232)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		
Issuance of subscription liability payable	$ (253,162)	
Bond discount amortization	(2,308)	
Principal payment on bond	505,000	
Principal payment on lease	3,055	
Principal payment on subscription liability	122,954	
		375,539
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental		
Change in net pension liability and related deferred outflows and deferred inflows	$ (923,061)	
Change in net OPEB liability and related deferred outflows and deferred inflows	(330,071)	
Accrued interest	1,122	
		(1,252,010)
Change in net position of governmental activities		$ 971,379

The accompanying notes are an integral part of these financial statements.

ACADEMY FOR CLASSICAL EDUCATION

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (GAAP)
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original	Final	Actual Amounts	Variance Positive (Negative)
Revenues				
State funds	$ 25,117,336	$ 25,729,962	$ 25,957,312	$ 227,350
Local funds	1,475,000	1,781,000	1,855,738	74,738
Federal funds	528,817	498,725	504,562	5,837
Investment earnings	350,000	685,599	743,226	57,627
Total revenues	27,471,153	28,695,286	29,060,838	365,552
Expenditures				
Current:				
Instruction	15,229,650	14,771,898	15,187,265	(415,367)
Support services:				
Pupil services	1,674,053	1,867,863	1,810,892	56,971
Improvement of instructional services	48,500	50,500	45,583	4,917
Educational media services	267,720	290,652	281,419	9,233
School administration	1,089,827	1,219,885	1,162,683	57,202
Business administration	832,552	849,605	859,108	(9,503)
Maintenance and operation of plant	1,690,063	2,342,689	2,697,780	(355,091)
School Security and Saftey	468,496	615,443		615,443
Student transportation	150,300	192,286	192,716	(430)
Central support services	-	-	-	-
School nutrition	90,000	87,900	82,671	5,229
Enterprise operations	950,000	1,144,350	1,114,650	29,700
Debt service	2,422,200	2,422,200	2,550,688	(128,488)
Total expenditures	24,913,361	25,855,271	25,985,455	(130,184)
Excess of revenues over expenditures	2,557,792	2,840,015	3,075,383	235,368
OTHER FINANCING SOURCES (USES)				
Issuance of SBITA	-	-	253,162	253,162
Transfers out	(5,665,062)	(4,148,639)	(3,712,522)	436,117
Total other financing sources (uses)	(5,665,062)	(4,148,639)	(3,459,360)	689,279
Net change in fund balance	(3,107,270)	(1,308,624)	(383,977)	924,647
Fund balance - beginning	10,845,545	10,845,545	10,845,545	-
Fund balance - ending	$ 7,738,275	$ 9,536,921	$ 10,461,568	$ 924,647

Notes to the Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

The accompanying Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual is presented on the modified accrual basis of accounting which is the basis of accounting used in the presentation of the fund financial statements.

The accompanying notes are an integral part of these financial statements.

NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 1. DESCRIPTION OF ACADEMY AND REPORTING ENTITY

Reporting Entity

The Academy for Classical Education (the "Academy") is a public school of choice operating under the terms of its charter agreement with the State Charter School Commission of Georgia. Previously, the Academy operated under a local charter school agreement with the Bibb County School District. The fiscal year ended June 30, 2015 was the first year of operations for the Academy. Effective July 1, 2019, the Academy is now a state charter school.

The Academy is located in Bibb County, Georgia providing education for approximately 1,800 students in grades kindergarten through twelfth grade.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The Academy's basic financial statements are collectively comprised of the government-wide financial statements, fund financial statements and notes to the basic financial statements of the Academy for Classical Education.

Government-wide Statements
The Statement of Net Position and the Statement of Activities display information about the financial activities of the overall Academy. Governmental activities generally are financed through intergovernmental revenues, and other non-exchange transactions.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the Academy's governmental activities.

- Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expenses (expenses of the Academy related to the administration and support of the Academy's programs, such as office and maintenance personnel and accounting) are not allocated to programs.

- Program revenues include: a) charges paid by the recipients of goods or services offered by the programs, and b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

Government-wide Statements (Continued)
In the Statement of Net Position, equity is reported as net position and consists of net investment in capital assets, amounts restricted by outside parties for specific purposes (if any), and unrestricted amounts. The net investment in capital assets is calculated by taking the capital assets, net of accumulated depreciation, less any related long-term financing arrangements, and adding back in any unspent bond or contract proceeds.

Fund Financial Statements
The fund financial statements provide information about the Academy's funds. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column.

The Academy reports two major governmental funds:

- The General Fund is the Academy's primary operating fund. It accounts for all financial resources of the Academy.

- The Capital Projects Fund accounts for and reports financial resources including lease proceeds and financed purchase proceeds that are restricted, committed or assigned for capital outlay expenditures, including the acquisition or construction of capital facilities and other capital assets.

Basis of Accounting/Measurement Focus

The basis of accounting determines when transactions are reported on the financial statements. The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. On an accrual basis, revenues are recognized in the fiscal year in which they are earned. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The Academy uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting/Measurement Focus (Continued)

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The Academy considers all revenues reported in the governmental funds to be available if they are collected within 60 days after fiscal year-end. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term liabilities and acquisitions under leases and subscription-based information technology arrangements are reported as other financing sources.

The Academy funds certain programs by a combination of specific cost-reimbursement grants, categorical grants, and general revenues. Thus, when program costs are incurred, there is both restricted and unrestricted net position available to finance the program. It is the Academy's policy to first apply grant resources to such programs, followed by cost-reimbursement grants, then general revenues.

New Accounting Pronouncements

In fiscal year 2025, the Academy adopted Governmental Accounting Standards Board ("GASB") Statement No. 101, *Compensated Absences.* The objective of this statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. This is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The adoption of this statement did not have a material impact on the Academy's financial statements.

In fiscal year 2025, the Academy adopted GASB Statement No. 102, *Certain Risk Disclosures*. The objective of this statement is to provide financial statement users with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. The adoption of this statement did not have a material impact on the Academy's financial statements.

Deposits and Investments

Cash and cash equivalents consist of cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

Investments are recorded at fair value. Increases and decreases during the year are recognized as a component of interest income.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Receivables

Receivables, which include amounts due from other governments, consist of amounts due from the various entities disclosed from information available. Receivables are recorded when either the asset or revenue recognition criteria has been met. Receivables recorded on the basic financial statements do not include any amounts which would necessitate the need for an allowance for uncollectible receivables.

On-Behalf Payments

The State of Georgia makes certain pension plan payments on behalf of the Academy for its employees. The Academy records these payments as both a revenue and expenditure in the General Fund. The total of the on-behalf payments for the fiscal year ended June 30, 2025 was $227,350.

Capital Assets

Capital assets purchased, including capital outlay costs, are recorded as expenditures in the fund financial statements at the time of purchase (including ancillary charges). On the government-wide financial statements, all purchased capital assets are valued at cost. Donated capital assets are recorded at acquisition value on the date donated. Disposals are deleted at depreciated recorded cost. The cost of normal maintenance and repairs that does not add to the value of assets or materially extend the useful lives of the assets is not capitalized. Depreciation is computed using the straight-line method. The Academy does not capitalize book collections or works of art. Depreciation is used to allocate the actual or estimated historical cost of all capital assets over estimated useful lives.

The capitalization threshold for all classes of assets is $5,000. The estimated useful lives of capital assets and right-to-use assets reported in the government-wide statements are as follows:

	Estimated Useful Life
Land	N/A
Land Improvements	20 Years
Buildings	40 Years
Building Improvements	20 Years
Equipment	3 – 8 Years
Intangible Right-To-Use Assets	3 Years

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Intangible Right-To-Use Assets

Leases, as a lessee, are included as intangible right-to-use assets and lease obligations on the Statement of Net Position. Subscription-based information technology arrangements ("SBITAs") result in an intangible right-to-use subscription asset and a subscription liability on the Statement of Net Position.

An intangible right-to-use asset represents the Academy's right to use an underlying asset for the lease or subscription term. Lease and subscription obligations represent the Academy's liability to make lease and subscription payments arising from the lease or subscription agreement. Intangible right-to-use assets, lease obligations, and subscription liabilities are recognized based on the present values of lease or subscription payments over the lease term, where the initial term exceeds 12 months. Residual value guarantees and the value of an option to extend or terminate a lease or subscription are reflected to the extent it is reasonably certain to be paid or exercised. Variable payments based on future performance or usage are not included in the measurement of the lease or subscription liability. Intangible right-to-use assets are amortized using a straight-line basis over the shorter of the lease or subscription term or useful life of the underlying asset.

Long-term Liabilities

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as expenses in the period in which they occur.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for *deferred outflows of resources*. This separate financial statement element represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. The governmental activities report several types of deferred outflows of resources related to the reporting of the net pension liability and net other post-employment benefits ("OPEB") liability. See also Note 10 – Retirement Plans and Note 11 – Other Post-Employment Benefits.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for *deferred inflows of resources*. This separate financial statement element represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The governmental activities report deferred inflows of resources related to the reporting of the net pension liability and net OPEB liability. These deferred inflows of resources will be amortized over five years.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Teachers' Retirement System of Georgia ("TRS") and additions to/deductions from TRS's fiduciary net position have been determined on the same basis as they are reported by TRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Other Post-employment Benefits ("OPEB")

For purposes of measuring the net OPEB liability (asset), deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Georgia School Employees' Post-employment Benefit Fund ("School OPEB Fund") and additions to/deductions from the School OPEB Fund's fiduciary net position have been determined on the same basis as they are reported by the School OPEB Fund. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Fund Equity

Fund equity at the governmental fund financial reporting level is classified as "fund balance." Fund equity for all other reporting is classified as "net position."

Fund Balance – Fund balance is a measurement of available financial resources defined as the difference between total assets/deferred outflows and total liabilities/deferred inflows in each fund.

GASB Statement No. 54 distinguishes fund balance classifications based on the relative strength of the constraints that control the purposes for which specific amounts can be spent. Beginning with the most binding constraints, fund balance amounts will be reported in the following classifications:

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Equity (Continued)

Fund Balance (Continued) –

Nonspendable – Fund balance reported as "nonspendable" represents fund balance associated with inventory, prepaid items, long-term amounts of loans and notes receivable, property held for resale (however, if the use of the proceeds from the collection of receivables or sale of the property is restricted, committed, or assigned, then the receivables or property should be reported in those categories), and corpus of a permanent fund (legally/contractually required to be maintained).

Restricted – Fund balance reported as "restricted" represents amounts that can be spent only on the specific purposes stipulated by law or by the external providers of those resources (such as bond resolutions and covenants and grant agreements).

Committed – Fund balance reported as "committed" includes amounts that can be used only for the specific purposes determined by a formal action of the Board. The Board, as the highest level of decision making authority, will have the sole authority to commit fund balance. Constraints can be removed or changed only by the Board through a formal resolution voted on by the Board. Actions to constrain resources should occur prior to the end of the Academy's fiscal year, though the exact amount may be determined subsequently.

Assigned – Fund balance reported as "assigned" represents amounts intended to be used for specific purposes, but not meeting the criteria to be reported as committed or restricted fund balance. The intent is expressed either by the Board or a high level body (budget or finance committee) or an individual authorized by the Board. If these funds should have a deficit fund balance, those deficits are required to be reported as unassigned fund balance. The Board will have the authority under this policy to assign funds for a particular purpose.

Unassigned – Fund balance reported as "unassigned" represents the residual classification of fund balance and includes all spendable amounts not contained within the other classifications.

If expenditures incurred exceed the amounts that have been restricted, committed, and assigned to a specific purpose and results in a negative residual amount for that specific purpose, amounts assigned to other purposes in that governmental fund are reduced to eliminate the deficit.

The Academy applies restricted resources first when an expenditure/expense is incurred for purposes for which both restricted and unrestricted equity is available.

NOTE 3. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

The Academy adopts an annual budget for its General Fund. The budget is prepared in accordance with provisions of the Quality Basic Education Act ("QBE"), Official Code of Georgia Annotated ("O.C.G.A.") §20-2-167. After the Academy has tentatively adopted the budget, such budget is advertised at least one time in a local newspaper of general circulation. At the next regular meeting of the Board after advertisement, the budget is revised as necessary and adopted as the final budget.

The following General Fund functions had excesses of actual expenditures over appropriations in the amount shown for the fiscal year ended June 30, 2025.

Current:		
Instruction	$	(415,367)
Support services:		
Business administration		(9,503)
Maintenance and operation of plant		(355,091)
Student transportation		(430)
Debt service		(128,488)

These excesses were funded by lower than anticipated expenditures in other functions and available fund balance.

NOTE 4. DEPOSITS AND INVESTMENTS

Collateralization of Deposits

O.C.G.A. §45-8-12 provides that there shall not be on deposit at any time in any depository for a time longer than ten days a sum of money which has not been secured by surety bond, by guarantee of insurance, or by collateral. The aggregate of the face value of such surety bond and the market value of securities pledged shall be equal to and not less than 110% of the public funds being secured after the deduction of the amount of deposit insurance. If a depository elects the pooled method (O.C.G.A. §45-8-13.1), the aggregate of the market value of the securities pledged to secure a pool of public funds shall be not less than 110% of the daily pool balance.

Custodial Credit Risk. Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the Academy will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes require all deposits and investments (other than Federal or State government instruments) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities. As of June 30, 2025, all of the Academy's cash and cash equivalent accounts were properly collateralized as required by State statutes.

NOTE 4. DEPOSITS AND INVESTMENTS (CONTINUED)

Collateralization of Deposits (Continued)

Custodial Credit Risk (Continued)

Acceptable security for deposits consists of any one of or any combination of the following:

(1) Surety bond signed by a surety company duly qualified and authorized to transact business within the State of Georgia,

(2) Insurance on accounts provided by the Federal Deposit Insurance Corporation,

(3) Bonds, bills, notes, certificates of indebtedness or other direct obligations of the United States or of the State of Georgia,

(4) Bonds, bills, notes, certificates of indebtedness or other obligations of the counties or municipalities of the State of Georgia,

(5) Bonds of any public authority created by the laws of the State of Georgia, providing that the statute that created the authority authorized the use of the bonds for this purpose,

(6) Industrial revenue bonds and bonds of development authorities created by the laws of the State of Georgia, and

(7) Bonds, bills, notes, certificates of indebtedness, or other obligations of a subsidiary corporation of the United States government, which are fully guaranteed by the United States government both as to principal and interest or debt obligations issued by the Federal Land Bank, the Federal Home Loan Bank, the Federal Intermediate Credit Bank, the Central Bank for Cooperatives, the Farm Credit Banks, the Federal Home Loan Mortgage Association, and the Federal National Mortgage Association.

Investments

Credit Risk. State statutes authorize the Academy to invest in U.S. government obligations; U.S. government agency (or other corporation of the U.S. government) obligations; obligations fully insured or guaranteed by the U.S. government or a U.S. government agency; obligations of the State of Georgia or other states; obligations of other counties, municipal corporations and political subdivisions of the State of Georgia; negotiable certificates of deposit issued by any bank or trust company organized under the laws of any state of the United States of America; prime bankers' acceptances; repurchase agreements; and pooled investment programs sponsored by the State of Georgia for the investment of local government funds.

NOTE 4. DEPOSITS AND INVESTMENTS (CONTINUED)

Interest Rate Risk. Investments shall be limited to maturities of 2 years or less unless a longer term is specifically approved by a majority vote of the Governing Board. The divestment of any investment prior to its maturity requires a majority vote of the Governing Board.

NOTE 5. RISK MANAGEMENT

The Academy is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors or omissions; job related illness or injuries to employees; and acts of God.

The Academy has obtained commercial insurance for risks of loss associated with torts, assets, errors or omissions, job related illness or injuries to employees and acts of God. The Academy has neither significantly reduced coverage for these risks nor incurred losses (settlements) which exceeded the Academy's insurance coverage in any of the past two fiscal years.

NOTE 6. CAPITAL ASSETS AND INTANGIBLE RIGHT-TO-USE ASSETS

The following is a summary of changes in the capital assets during the fiscal year:

	Balances July 1, 2024	Increases	Decreases	Transfers	Balances June 30, 2025
Governmental Activities					
Capital assets not being depreciated:					
Land improvements	$ 877,155	$ -	$ -	$ -	$ 877,155
Construction in progress	2,823,561	1,238,948	-	(3,750,387)	312,122
Total	3,700,716	1,238,948	-	(3,750,387)	1,189,277
Capital assets, being depreciated:					
Building improvements	4,998,389	276,103	-	2,635,936	7,910,428
Land improvements	1,578,252	115,723	-	1,114,451	2,808,426
Buildings	29,097,872	-	-	-	29,097,872
Right to use asset - leased equipment	9,182	-	-	-	9,182
Right to use asset - subscription asset	128,482	253,909	-	-	382,391
Equipment	5,016,799	331,950	(73,747)	-	5,275,002
Total	40,828,976	977,685	(73,747)	3,750,387	45,483,301
Less accumulated depreciation for:					
Building improvements	(2,868,886)	(140,961)	-	-	(3,009,847)
Land improvements	(201,308)	(125,680)	-	-	(326,988)
Buildings	(5,738,617)	(727,447)	-	-	(6,466,064)
Right to use asset - leased equipment	(3,827)	(3,061)	-	-	(6,888)
Right to use asset - subscription asset	(50,862)	(128,194)	-	-	(179,056)
Equipment	(2,503,318)	(582,085)	72,515	-	(3,012,888)
Total	(11,366,818)	(1,707,428)	72,515	-	(13,001,731)
Total assets being depreciated, net	29,462,158	(729,743)	(1,232)	3,750,387	32,481,570
Governmental activities capital assets, net	$ 33,162,874	$ 509,205	$ (1,232)	$ -	$ 33,670,847

Current fiscal year depreciation expense by function is as follows:

Instruction	$ 1,399,746
Pupil services	25,616
Business administration	1,495
School administration	8,550
Maintenance and operation of plant	225,284
School nutrition	46,737
	$ 1,707,428

NOTE 7. INTERFUND TRANSFERS

Interfund transfers for the year ended June 30, 2025 consisted of the following:

	Transfers Out
Transfers In	General Fund
Capital Projects Fund	$ 3,712,522

Transfers are used to move revenues from the General Fund to supplement funding for capital construction projects and other capital outlay expenditures.

NOTE 8. LONG-TERM DEBT

Subscription-Based Information Technology Arrangements ("SBITAs")

The Academy has entered into certain subscription-based contracts to use vendor-provided information technology ("IT") under the provisions of a contract that conveys control of the right-to-use another entity's asset for a period of time in an exchange or exchange-like transaction. This contract is classified as a subscription-based information technology arrangement for accounting purposes. Subsequently, the subscription asset is amortized on the straight-line basis over the shorter of the useful life of the asset or the SBITA term.

The following is a summary of the carrying values of intangible right-to-use assets at June 30, 2025:

	Governmental Activities
Cost	$ 382,391
Less: Accumulated amortization	(179,056)
	$ 203,335

NOTE 8. LONG-TERM DEBT (CONTINUED)

Subscription-Based Information Technology Arrangements ("SBITAs") (Continued)

At the commencement of the subscription-based information technology arrangement ("SBITA"), the School District initially measures the subscription liability at the present value of payments expected to be made during the term of the SBITA. Subsequently, the subscription liability is reduced by the principal portion of SBITA payments made. The right-to-use subscription asset is initially measured as the initial amount of the subscription liability, adjusted for SBITA payments made at or before the SBITA commencement date, plus certain initial direct costs.

The following is a schedule of total subscription liability payments:

Fiscal Year Ending June 30,	Principal	Interest	Total
2026	$ 113,103	$ 17,228	$ 130,331
2027	84,185	7,441	91,626
	$ 197,288	$ 24,669	$ 221,957

Leases

The Academy has acquired equipment under the provisions of various contracts that convey control of the right to use another entity's asset for a period of time in an exchange or exchange like transaction. These contracts are classified as leases for accounting purposes. As of June 30, 2025 there are no remaining lease payments. The following is a summary of the carrying values of intangible right-to-use asset leased equipment at June 30, 2025:

	Governmental Activities
Cost	$ 9,182
Less: Accumulated amortization	(6,888)
	$ 2,294

NOTE 8. LONG-TERM DEBT (CONTINUED)

Bonds Payable

During the fiscal year ended June 30, 2017, the Academy issued bonds through an agreement with the Macon-Bibb County Urban Development Authority in order to refinance existing debt related to the cost of acquiring, constructing, and equipping the charter school and related facilities and also to provide funding for additional expansion of its current facilities. These bonds carry interest rates ranging from 5.00% to 6.50% and have varying maturities from fiscal year 2020 to fiscal year 2052.

In both the current and prior year, both the Days Cash on Hand and Debt Service Coverage Ratio covenants were met by the Academy.

Annual debt service requirements to maturity for these bonds are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2026	$ 530,000	$ 1,891,950	$ 2,421,950
2027	555,000	1,865,450	2,420,450
2028	585,000	1,837,700	2,422,700
2029	620,000	1,804,063	2,424,063
2030	655,000	1,768,413	2,423,413
2031 – 2035	3,880,000	8,232,850	12,112,850
2036 – 2040	5,130,000	6,977,450	12,107,450
2041 – 2045	6,825,000	5,286,656	12,111,656
2046 – 2050	9,090,000	3,024,906	12,114,906
2051 and 2052	4,440,000	403,500	4,843,500
	$ 32,310,000	$ 33,092,938	$ 65,402,938

NOTE 8. LONG-TERM DEBT (CONTINUED)

Bonds Payable (Continued)

The changes in long-term debt during the fiscal year ended June 30, 2025 were as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year	Due In More Than One Year
Governmental activities:						
Bonds payable	$ 32,815,000	$ -	$ (505,000)	$ 32,310,000	$ 530,000	$ 31,780,000
Less: unamortized discount	(64,606)	2,308	-	(62,298)	(2,308)	(59,990)
Leases	3,055	-	(3,055)	-	-	-
Subscription liability	67,080	253,162	(122,954)	197,288	113,103	84,185
Net pension liability	17,853,046	3,970,522	(6,474,113)	15,349,455	-	15,349,455
Net OPEB liability	9,290,794	1,803,655	(1,238,440)	9,856,009	-	9,856,009
Governmental activities Long-term liabilities	$ 59,964,369	$ 6,029,647	$ (8,343,562)	$ 57,650,454	$ 640,795	$ 57,009,659

During the fiscal year ended June 30, 2025, the Governing Board of the Academy approved a note payable to be entered into with a local financial institution in the amount of $7.5 million for the purpose of facility expansion. This loan was not finalized as of year end.

NOTE 9. COMMITMENTS AND CONTINGENCIES

Amounts received or receivable principally from the Federal government are subject to audit and review by grantor agencies. This could result in requests for reimbursement to the grantor agency for any costs which are disallowed under grant terms. The Academy believes that such disallowances, if any, will be immaterial to its overall financial position.

NOTE 10. RETIREMENT PLAN

Teachers' Retirement System of Georgia ("TRS")

Plan Description: All teachers of the Academy as defined in O.C.G.A. §47-3-60 and certain other support personnel as defined by O.C.G.A. §47-3-63 are provided a pension through the Teachers' Retirement System of Georgia ("TRS"). TRS, a cost-sharing multiple-employer defined benefit pension plan, is administered by the TRS Board of Trustees ("TRS Board"). Title 47 of the O.C.G.A. assigns the authority to establish and amend the benefit provisions to the State Legislature. The TRS issues a publicly available separate financial audit report that can be obtained at www.trsga.com/publications.

NOTE 10. RETIREMENT PLANS (CONTINUED)

Teachers' Retirement System of Georgia ("TRS") (Continued)

Benefits Provided: TRS provides service retirement, disability retirement, and death benefits. Normal retirement benefits are determined as 2% of the average of the employees' two highest paid consecutive years of service, multiplied by the number of years of creditable service up to 40 years. An employee is eligible for normal service retirement after 30 years of creditable service, regardless of age, or after ten years of service and attainment of age 60. Ten years of service is required for disability and death benefits eligibility. Disability benefits are based on the employees' creditable service and compensation up to the time of disability. Death benefits equal the amount that would be payable to the employees' beneficiary had the employee retired on the date of death. Death benefits are based on the employees' creditable service and compensation up to the date of death.

Contributions: Per Title 47 of the O.C.G.A., contribution requirements of active employees and participating employers, as actuarially determined, are established and may be amended by the TRS Board. Pursuant to O.C.G.A. §47-3-63, the employer contributions for certain full-time public school support personnel are funded on behalf of the employer by the State of Georgia. Contributions are expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Employees were required to contribute 6% of their annual pay during fiscal year 2025. The Academy's contractually required contribution rate for the year ended June 30, 2025, was 20.78%. For the current fiscal year, employer contributions to the pension plan were $2,189,177.

***Pension Liabilities, Pension Expense and Deferred Outflows and Deferred Inflows Related to Pensions*:** At June 30, 2025, the Academy reported a liability of $15,349,455 for its proportionate share of the net pension liability for TRS.

The net pension liability for TRS was measured as of June 30, 2024. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2023. An expected total pension liability as of June 30, 2024 was determined using standard roll-forward techniques. The Academy's proportion of the net pension liability was based on contributions to TRS during the fiscal year ended June 30, 2024.

At June 30, 2024, the Academy's TRS proportion was 0.061069%, which was an increase of 0.000600% from its proportion measured as of June 30, 2023.

For the year ended June 30, 2025, the Academy recognized pension expense of $3,102,976 for TRS and state support of $26,362.

NOTE 10. RETIREMENT PLANS (CONTINUED)

Teachers' Retirement System of Georgia ("TRS") (Continued)

Pension Liabilities, Pension Expense and Deferred Outflows and Deferred Inflows Related to Pensions (Continued): At June 30, 2025, the Academy reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Teachers' Retirement System	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 1,736,898	$ 45,876
Changes of assumptions	1,067,787	-
Net difference between projected and actual earnings on pension plan investments	-	2,140,045
Changes in proportion and differences between Academy contributions and proportionate share of contributions	533,257	-
Academy contributions subsequent to the measurement date	2,189,177	-
Total	$ 5,527,119	$ 2,185,921

The Academy contributions subsequent to the measurement date of $2,189,177 for TRS are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	TRS
2026	$ 615,509
2027	2,111,176
2028	(882,812)
2029	(691,852)

NOTE 10. RETIREMENT PLANS (CONTINUED)

Teachers' Retirement System of Georgia ("TRS") (Continued)

Actuarial Assumptions: The total pension liability as of June 30, 2024 was determined by an actuarial valuation as of June 30, 2023 using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary increases	3.00% – 8.75%, average, including inflation
Investment rate of return	6.90%, net of pension plan investment expense, including inflation
Post-retirement benefit increases	1.50% semi-annually

Post-retirement mortality rates for service retirements and beneficiaries were based on the Pub-2010 Teachers Headcount Weighted Below Median Healthy Retiree mortality table (ages set forward one year and adjusted 106%) with the MP-2019 projection scale applied generationally. The rates of improvement were reduced by 20% for all years prior to the ultimate rate. Post-retirement mortality rates for disability retirements were based on the Pub-2010 Teachers Mortality Table for Disabled Retirees (ages set forward one year and adjusted 106%) with the MP-2019 projection scale applied generationally. The rates of improvement were reduced by 20% for all years prior to the ultimate rate. The Pub-2010 Teachers Headcount Weighted Below Median Employee mortality table (ages set forward one year and adjusted 106%) as used for death prior to retirement. Future improvement in mortality rates was assumed using the MP-2019 projection scale generationally. These rates of improvement were reduced by 20% for all years prior to the ultimate rate.

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2013 – June 30, 2018.

NOTE 10. RETIREMENT PLANS (CONTINUED)

Teachers' Retirement System of Georgia ("TRS") (Continued)

Actuarial Assumptions (Continued): The long-term expected rate of return on TRS pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	TRS Target Allocation (%)	Long-term Expected Real Rate of Return (%)*
Fixed income	30.00 %	0.20 %
Domestic large stocks	46.30	9.40
Domestic small stocks	1.20	13.40
International developed market stocks	12.30	9.40
International emerging market stocks	5.20	11.40
Alternatives	5.00	10.50
Total	100.00 %	

*Rates shown are net of the 2.50% assumed rate of inflation.

Discount Rate: The discount rates used to measure the total TRS pension liability were 6.90%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer and non–employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the TRS pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

NOTE 10. RETIREMENT PLANS (CONTINUED)

Teachers' Retirement System of Georgia ("TRS") (Continued)

Sensitivity of the Academy's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate: The following presents the Academy's proportionate share of the net pension liability calculated using the discount rates of 6.90%, as well as what the Academy's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.90%) or 1-percentage-point higher (7.90%) than the current rate:

Teachers' Retirement System

	1.00% Decrease (5.90%)	Current Discount Rate (6.90%)	1.00% Increase (7.90%)
Academy's proportionate share of the net pension liability	$ 26,419,485	$ 15,349,455	$ 6,312,922

Pension Plan Fiduciary Net Position: Detailed information about the pension plan's fiduciary net position is available in the separately issued TRS financial report which is publicly available at www.trsga.com/publications.

Defined Contribution Plan

On July 1, 2021, the Academy began to match employee contributions to the existing 401(k) plan. It was the Board's desire to supplement the retirement of those employees contributing to the 401(k) plan. Nationwide is the provider of the Academy's 401(k) plan. After one year of service, each full-time employee becomes eligible for the employer match and is 100% vested when they begin receiving matching funds. The Board matches $0.50/dollar contributed by full-time employees up to 4% of the employee's income. Employer contributions for the fiscal year ended June 30, 2025 were $122,562.

NOTE 11. OTHER POST-EMPLOYMENT BENEFITS

Georgia Retiree Health Benefit Fund

Plan Description: Certified teachers and non-certified public school employees of the Academy as defined in §20-2-875 of the O.C.G.A. are provided OPEB through the School OPEB Fund - a cost-sharing multiple-employer defined benefit post-employment healthcare plan, reported as an employee trust fund and administered by a Board of Community Health (the "Board"). Title 20 of the O.C.G.A. assigns the authority to establish and amend the benefit terms of the group health plan to the Board.

NOTE 11. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Georgia Retiree Health Benefit Fund (Continued)

Benefits: The School OPEB Fund provides healthcare benefits for retirees and their dependents due under the group health plan for public school teachers, including librarians, other certified employees of public schools, regional educational service agencies and non-certified public school employees. Retiree medical eligibility is attained when an employee retires and is immediately eligible to draw a retirement annuity from Employees' Retirement System ("ERS"), Georgia Judicial Retirement System ("JRS"), Legislative Retirement System ("LRS"), TRS or Public School Employees' Retirement System ("PSERS"). If elected, dependent coverage starts on the same day as retiree coverage. Medicare-eligible retirees are offered Standard and Premium Medicare Advantage plan options. Non-Medicare eligible retiree plan options include Health Reimbursement Arrangement ("HRA"), Health Maintenance Organization ("HMO") and a High Deductible Health Plan ("HDHP"). The School OPEB Fund also pays for administrative expenses of the fund. By law, no other use of the assets of the School OPEB Fund is permitted.

Contributions: As established by the Board, the School OPEB Fund is substantially funded on a pay-as-you-go basis; that is, annual cost of providing benefits will be financed in the same year as claims occur. Contributions required and made to the School OPEB Fund from the Academy were $589,825 for the year ended June 30, 2025. Of this amount $217,539 was paid on behalf of the Academy by the State of Georgia, for a net contribution of $372,286. Active employees are not required to contribute to the School OPEB Fund.

OPEB Liabilities, OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB: At June 30, 2024, the Academy reported a liability of $9,856,009 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2024. The total OPEB liability used to calculate the net OPEB liability was based on an actuarial valuation as of June 30, 2023. An expected total OPEB liability as of June 30, 2024, was determined using standard roll-forward techniques. The Academy's proportion of the net OPEB liability was actuarially determined based on employer contributions to the School OPEB Fund during the fiscal year ended June 30, 2024. At June 30, 2024, the Academy's proportion was 0.086484%, which was an increase of 0.001663% from its proportion measured as of June 30, 2023.

NOTE 11. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Georgia Retiree Health Benefit Fund (Continued)

OPEB Liabilities, OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued): For the year ended June 30, 2025, the Academy recognized OPEB expense of $702,357. At June 30, 2025, the Academy reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

School OPEB Plan	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 483,322	$ 1,779,638
Changes of assumptions	1,149,254	975,622
Net difference between projected and actual earnings on OPEB plan investments	-	64,160
Changes in proportion and differences between Academy contributions and proportionate share of contributions	1,268,991	-
Academy contributions subsequent to the measurement date	372,286	-
Total	$ 3,273,853	$ 2,819,420

Academy contributions subsequent to the measurement date of $372,286 are reported as deferred outflows of resources and will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30,	School OPEB Plan
2026	$ 3,461
2027	(296,124)
2028	10,583
2029	265,337
2030	93,570
2031	5,320

NOTE 11. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Georgia Retiree Health Benefit Fund (Continued)

Actuarial Assumptions: The total OPEB liability as of June 30, 2024, was determined by an actuarial valuation as of June 30, 2023, using the following actuarial assumptions and other inputs, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2024:

Inflation	2.50%
Salary increases	3.00% – 8.75%, average, including inflation
Long-term expected rate of return	7.00%, compounded annually, net of investment expense, and including inflation
Healthcare cost trend rate	7.00%
Ultimate trend rate	4.50%
Year of Ultimate trend rate	2032

Mortality rates were based on the RP-2000 Combined Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale BB as follows:

- For TRS members: Post-retirement mortality rates for service retirements and beneficiaries were based on the Pub-2010 Teachers Headcount Weighted Below Median Healthy Retiree Mortality Table (ages set forward one year and adjusted 106%) with the MP-2019 Projection scale applied generationally. The rates of improvement were reduced by 20% for all years prior to the ultimate rate. Post-retirement mortality rates for disability retirements were based on the Pub-2010 Teachers Mortality Table for Disabled Retirees (ages set forward one year and adjusted 106%) with the MP-2019 Projection scale applied generationally. The rates of improvement were reduced by 20% for all years prior to the ultimate rate. The Pub-2010 Teachers Headcount Weighted Below Median Employee Mortality Table with ages set forward one year and adjusted 106% was used for death prior to retirement. Future improvement in mortality rates was assumed using the MP-2019 Projection scale generationally. These rates of improvement were reduced by 20% for all years prior to the ultimate rate.

NOTE 11. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Georgia Retiree Health Benefit Fund (Continued)

***Actuarial Assumptions (Continued)*:** The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the pension system, which covered the five-year period ended June 30, 2018, with the exception of the assumed annual rate of inflation changed from 2.75% to 2.50%, effective with the June 30, 2018 valuation.

The remaining actuarial assumptions (e.g., initial per capita costs, health care cost trends, rate of plan participation, rates of plan election, etc.) used in the June 30, 2023 valuation were based on a review of recent plan experience done concurrently with the June 30, 2023 valuation.

Projection of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the Academy and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculation.

The long-term expected rate of return on OPEB plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected nominal returns, net of investment expense and the assumed rate of inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation (%)	Long-term Expected Real Rate of Return (%)
Fixed Income	30%	0.14%
Equities	70%	9.20%
Total	100%	

NOTE 11. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Georgia Retiree Health Benefit Fund (Continued)

Discount Rate: In order to measure the total OPEB liability for the School OPEB, a single equivalent interest rate of 3.68% was used as the discount rate, as compared with last year's rate of 3.57%. The plan's fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, the municipal bond rate as used for the long-term rate of return was applied to all periods of projected benefit payments to determine total OPEB liability. This is comprised mainly of the yield or index rate for 20-year tax-exempt general obligation bonds with an average rating of AA or higher (3.65% per the Municipal Bond Index Rate). The projection of cash flows used to determine the discount rate assumed that contributions from members and from the employers will be made at the current level as averaged over the last five years, adjusted for annual projected changes in headcount. Projected future benefit payments for all current plan members were projected through 2128.

Sensitivity of the Academy's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate: The following presents the Academy's proportionate share of the net OPEB liability calculated using the discount rate of 3.68%, as well as what the Academy's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.68%) or 1-percentage-point higher (4.68%) than the current rate:

	1.00% Decrease (2.68%)	Current Discount Rate (3.68%)	1.00% Increase (4.68%)
Academy's proportionate share of the net OPEB liability	$ 11,150,792	$ 9,856,009	$ 8,764,099

***Sensitivity of the Academy's Proportionate Share of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate*:** The following presents the Academy's proportionate share of the net OPEB liability as well as what the Academy's proportionate share of the net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1.00% Decrease	Current Healthcare Cost Trend Rate	1.00% Increase
Academy's proportionate share of the net OPEB liability	$ 8,516,155	$ 9,856,009	$ 11,502,536

OPEB Plan Fiduciary Net Position: Detailed information about the OPEB plan's fiduciary net position is available in the Annual Comprehensive Financial Report which is publicly available at: https://sao.georgia.gov/statewide-reporting/acfr.

REQUIRED SUPPLEMENTARY INFORMATION

ACADEMY FOR CLASSICAL EDUCATION

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPOTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHERS' RETIREMENT SYSTEM OF GEORGIA
FOR THE FISCAL YEAR ENDED JUNE 30,

	2025	2024	2023	2022
Academy's proportion of the net pension liability	**0.061069%**	0.060469%	0.059769%	0.056528%
Academy's proportionate share of the net pension liability	**$ 15,349,455**	$ 17,853,046	$ 19,408,150	$ 4,999,525
State of Georgia's proportionate share of the net pension liability associated with the Academy	**74,650**	63,182	-	-
Total	**$ 15,424,105**	$ 17,916,228	$ 19,408,150	$ 4,999,525
Academy's covered payroll	**$ 9,568,509**	$ 8,845,290	$ 8,081,666	$ 7,356,312
Academy's proportionate share of the net pension liability as a percentage of its covered payroll	**160.42%**	201.84%	240.15%	67.96%
Plan fiduciary net position as a percentage of the total pension liability	**80.86%**	76.29%	72.85%	92.03%

2021	2020	2019	2018	2017	2016
0.051644%	0.046699%	0.040214%	0.033649%	0.027293%	0.016941%
$ 12,510,198	$ 10,041,548	$ 7,464,580	$ 6,253,770	$ 5,630,850	$ 2,579,099
-	-	-	-	-	-
$ 12,510,198	$ 10,041,548	$ 7,464,580	$ 6,253,770	$ 5,630,850	$ 2,579,099
$ 6,658,349	$ 5,699,201	$ 4,789,774	$ 3,863,714	$ 2,993,791	$ 1,788,274
187.89%	176.19%	155.84%	161.86%	188.08%	144.22%
77.01%	78.56%	80.27%	79.33%	76.06%	81.44%

ACADEMY FOR CLASSICAL EDUCATION

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
TEACHERS' RETIREMENT SYSTEM OF GEORGIA
FOR THE FISCAL YEAR ENDED JUNE 30,

	2025	2024	2023	2022
Contractually required contributions	**$ 2,189,177**	$ 1,911,788	$ 1,767,289	$ 1,600,978
Contributions in relation to the contractually required contribution	**2,189,177**	1,911,788	1,767,289	1,600,978
Contribution deficiency (excess)	**$ -**	$ -	$ -	$ -
Academy's covered payroll	**$ 10,535,019**	$ 9,568,509	$ 8,845,290	$ 8,081,666
Contributions as a percentage of covered payroll	**20.78%**	19.98%	19.98%	19.81%

2021	2020	2019	2018	2017	2016
$ 1,402,113	$ 1,407,575	$ 1,191,133	$ 805,161	$ 551,352	$ 427,214
1,402,113	1,407,575	1,191,133	805,161	551,352	427,214
$ -	$ -	$ -	$ -	$ -	$ -
$ 7,356,312	$ 6,658,349	$ 5,699,201	$ 4,789,774	$ 3,863,714	$ 2,993,791
19.06%	21.14%	20.90%	16.81%	14.27%	14.27%

ACADEMY FOR CLASSICAL EDUCATION

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
TEACHERS' RETIREMENT SYSTEM OF GEORGIA
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

CHANGES OF ASSUMPTIONS

On December 17, 2015, the Board adopted recommended changes to the economic and demographic assumptions utilized by the System. Primary among the changes were the updates to rates of mortality, retirement and withdrawal. The expectation of retired life mortality was changed to the RP-2000 Blue Collar Mortality Table projected to 2025 with projection scale BB (set forward 3 years for males and 2 years for females).

A new funding policy was initially adopted by the Board on March 15, 2018, and most recently amended on December 17, 2020. Because of this new funding policy, the assumed investment rate of return was reduced from 7.50% to 7.40% for the June 30, 2017 actuarial valuation and further reduced from 7.40% to 7.30% for the June 30, 2018 actuarial valuation.

On December 17, 2020, the Board adopted recommended changes to the economic and demographic assumptions utilized by the System based on the experience study prepared for the five-year period ending June 30, 2019. Primary among the changes were the updates to rates or mortality, retirement, disability, and withdrawal. This also included a change to the long-term assumed investment rate of return to 7.00%. These assumption changes are reflected in the calculation of the June 30, 2021 Total Pension Liability.

ACADEMY FOR CLASSICAL EDUCATION

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
SCHOOL OPEB FUND
FOR THE FISCAL YEAR ENDED JUNE 30,

	2025	2024	2023	2022
Academy's proportion of the net OPEB liability	**0.086484%**	0.084821%	0.078753%	0.075048%
Academy's proportionate share of the net OPEB liabilit	**$ 9,856,009**	$ 9,290,794	$ 7,799,053	$ 8,194,387
Academy's covered employee payroll	**8,428,334**	7,760,356	6,489,409	6,031,073
Academy's proportionate share of the net OPEB liability as a percentage of its covered employee payroll	**116.94%**	119.72%	120.18%	135.87%
Plan fiduciary net position as a percentage of the total OPEB liability	**6.88%**	6.05%	6.17%	6.14%

Note: *Schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available.*

2021	2020	2019	2018
0.075048%	0.070069%	0.061221%	0.053507%
$ 11,022,803	$ 8,598,969	$ 7,781,001	$ 7,517,712
6,494,923	4,521,972	4,113,370	2,978,399
169.71%	190.16%	189.16%	252.41%
3.99%	4.63%	2.93%	1.61%

ACADEMY FOR CLASSICAL EDUCATION

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
SCHOOL OPEB FUND
FOR THE FISCAL YEAR ENDED JUNE 30,

	2025	2024	2023	2022
Contractually required contributions	**$ 372,286**	$ 353,702	$ 326,089	$ 284,752
Contributions in relation to the contractually required contribution	**372,286**	353,702	326,089	284,752
Contribution deficiency (excess)	**$ -**	$ -	$ -	$ -
Academy's covered employee payroll	**$ 8,985,251**	$ 8,428,334	$ 7,760,356	$ 6,489,409
Contributions as a percentage of covered employee payroll	**4.14%**	4.20%	4.20%	4.39%

Note: *Schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available.*

2021	2020	2019	2018
$ 281,434	$ 253,795	$ 377,370	$ 317,302
281,434	253,795	377,370	317,302
$ -	$ -	$ -	$ -
$ 6,031,073	$ 6,494,923	$ 4,521,972	$ 4,113,370
4.67%	3.91%	8.35%	7.71%

ACADEMY FOR CLASSICAL EDUCATION

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
SCHOOL OPEB FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

CHANGES OF BENEFIT TERMS

There have been no changes in benefit terms.

CHANGES OF ASSUMPTIONS

June 30, 2023 valuation: Medicare health care trend rates were updated.

June 30, 2022 valuation: The tobacco assumption and aging factors were revised.

June 30, 2020 valuation: Decremental assumptions were changed to reflect the Employees' Retirement System's experience study. Approximately 0.10% of employees are members of the Employees' Retirement System.

June 30, 2019 valuation: Decremental assumptions were changed to reflect the Teachers' Retirement System's experience study.

June 30, 2018 valuation: The inflation assumption was lowered from 2.75% to 2.50%.

June 30, 2017 valuation: The participation assumption, tobacco use assumption and morbidity factors were revised.

June 30, 2015 valuation: Decremental and underlying inflation assumptions were changed to reflect the Retirement Systems' experience studies.

June 30, 2012 valuation: A data audit was performed and data collection procedures and assumptions were changed.

The discount rate was updated from 3.07% as of June 30, 2016 to 3.58% as of June 30, 2017, to 3.87% as of June 30, 2018, back to 3.58% as of June 30, 2019, and to 2.22% as of June 30, 2020, to 2.20% as of June 30, 2021, to 3.57% as of June 30, 2022, and to 3.68% as of June 30, 2023.

OTHER SUPPLEMENTARY INFORMATION

ACADEMY FOR CLASSICAL EDUCATION

OTHER SUPPLEMENTARY INFORMATION
BOND COVENANT DISCLOSURE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Debt Service Coverage Ratio:

Total fund-level revenues	$	29,071,468
Less: Total fund-level expenditures		(27,984,753)
Deficiency of revenues over expenditures		1,086,715
Add back:		
Debt service interest		1,922,978
Instruction expenditures		183,527
Maintenance and operation expenditures		94,206
Capital outlay expenditures		1,995,999
Available for debt service	$	5,283,425
Maximum annual debt service	$	2,424,550
Debt service coverage ratio		2.18

Days Cash on Hand:

Total fund-level expenditures		27,984,753
Less:		
Debt service interest		(1,922,978)
Instruction expenditures		(183,527)
Maintenance and operation expenditures		(94,206)
Capital outlay expenditures		(1,995,999)
Total operating expenditures	$	23,788,043
Daily operating costs	$	65,173
Cash on hand, June 30, 2025		10,904,249
Days cash on hand		167.31

COMPLIANCE SECTION

MAULDIN & JENKINS
CPAs & ADVISORS

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Members of the Board
of the Academy for Classical Education
Macon, Georgia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the Academy for Classical Education (the "Academy"), as of and for the fiscal year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Academy's basic financial statements, and have issued our report thereon dated October 23, 2025.

Report on Internal Control over Financial Reporting
In planning and performing our audit of the financial statements, we considered the Academy's internal control over financial reporting ("internal control") as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Academy's internal control. Accordingly, we do not express an opinion on the effectiveness of the Academy's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Academy's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Mauldin & Jenkins, LLC

Macon, Georgia
October 23, 2025

ACADEMY FOR CLASSICAL EDUCATION

SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

SECTION I
SUMMARY OF AUDIT RESULTS

Financial Statements

Type of report the auditor issued on whether the financial statements were prepared in accordance with GAAP.	Unmodified
Internal control over financial reporting: Material weaknesses identified?	___ Yes __X__ No
Significant deficiencies identified not considered to be material weaknesses?	___ Yes __X__ None Reported
Noncompliance material to financial statements noted?	___ Yes __X__ No

Federal Awards

There was not an audit of major federal programs as of June 30, 2025 due to the total amount expended being less than $750,000.

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES

None reported.

ACADEMY FOR CLASSICAL EDUCATION

SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

None reported.